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May 2006 Investment Committee Meeting
(March 2006 Reporting Period)**

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CURRENT STATUS OF ALL COMPLETED CALPERS REAL ESTATE EQUITY TRANSACTIONS FOR FEBRUARY 2006

ADVISOR	PROPERTY TYPE	PROPERTY NAME	CITY	STATE	MOST RECENT APPRAISED VALUE *	ACQUISITION DATE **	DISPOSITION DATE **	HISTORIC COST *	CALPERS EQUITY SHARE OF TRANSACTION AMOUNT	ESTIMATED AFTER FEE IRR *	STATUS/ COMMENTS
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DISPOSITIONS

LaSalle/CalEast	Industrial	Baltimore Land Holdings - p/s	Baltimore	MD	N/A	06/27/03	02/01/06	N/A	480,347	N/A	Disposition
Blackrock Realty	Apartment	Regency at Skyport condominium - p/s	San Jose	CA	N/A	10/26/01	02/03/06	N/A	2,405,861	N/A	Disposition
CalSmart/RREEF	CURE	Oakesdale Commerce Center - p/s	Renton	WA	N/A	12/23/03	02/07/06	N/A	1,176,080	N/A	Disposition
CalWest/RREEF	Industrial	North San Diego Industrial - p/s	Carlsbad	CA	N/A	05/19/00	02/13/06	N/A	44,107,347	N/A	Disposition
Blackrock Realty	Apartment	Regency at Skyport condominium - p/s	San Jose	CA	N/A	05/19/00	02/17/06	N/A	1,302,996	N/A	Disposition
Blackrock Realty	Apartment	Regency at Skyport condominium - p/s	San Jose	CA	N/A	05/19/00	02/24/06	N/A	1,697,945	N/A	Disposition

Total : - - 51,170,576

ACQUISITIONS ***

LaSalle/CalEast		Freeport	Calgary	CAN	N/A	02/28/06	N/A	N/A	3,396,000	13.5%	Acquisition
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Total : 3,396,000

Footnotes

- * The most recent appraised values and historic cost values represent CalPERS' share only.
- * Based upon data provided by partners.
- ** Based on funding settlement date.
- *** See brief descriptions - As attached.

NEW ACQUISITION SUMMARY

Advisor Name: LaSalle Investment Management

Property Name: Freeport Blvd. JV

City, State: Calgary, Alberta, Canada

Ownership: Development Joint Venture (90% CalEast/10% Panattoni)

Acquisition Date: February 28, 2006

Total Project Size: All in budget of \$14.7m Canadian

Net Rentable Area sf: Land acquisition of 10.26 acres with plan to develop 199,808 SF.

Project Purchase Price: \$3,396,000

Property Highlights/Investment Summary:

The Calgary industrial market is 104 million SF with a vacancy rate of 3.4% (per CBRE). The 10.3 acre site is in Calgary's NE submarket which has enjoyed steady recent growth. With immediate access to Calgary International Airport, Deerfoot Trail (a major north-south route connecting Calgary to Edmonton), and Country Hills Blvd. (a major east-west route), the site is well positioned to attract tenants.

Plan to build 2 buildings totaling 199,808 SF during 2006. The developer is Panattoni Development Company.

Projected After Fee Internal Rate of Return: 13.5%

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - March 2006

Partnerships	Date	Transaction	Amount
Aberdare Venture Partners III	3.8.06	Capital call	\$900,000.00
ACP IV	3.10.06	Capital call	\$1,125,000.00
Advent Latin America Partners III	3.22.06	Capital call	\$5,500,000.00
Alta California Partners III	3.7.06	Capital call	\$6,750,000.00
ArcLight Capital Partners II	3.3.06	Capital call	\$784,093.00
Avenue Asia Special Situations Fund III	3.15.06	Capital call	\$2,000,000.00
Avenue Special Situations Fund IV	3.27.06	Capital call	\$22,265,103.00
Banc of America	3.27.06	Capital call	\$1,161,560.71
Behrman Capital Partners II	3.3.06	Capital call	\$1,738,051.00
Birch Hill Equity Partners III	3.31.06	Capital call	\$6,886,208.46
Blackstone Capital Partners IV	3.17.06	Capital call	\$1,272,305.00
Blackstone ECC Communications	3.20.06	Capital call	\$6,149,814.00
Blum Strategic Partners III	3.15.06	Capital call	\$3,083,882.00
Carlyle Asia Venture Partners II	3.22.06	Capital call	\$1,129,572.00
Carlyle Europe Partners II	3.24.06	Capital call	\$4,270,894.00
Carlyle Europe Real Estate Partners	3.9.06	Capital call	\$702,022.00
Carlyle Partners IV	3.20.06	Capital call	\$5,808,744.00
Carlyle Strategic Partners	3.3.06	Capital call	\$2,005,330.00
Carlyle Venture Partners II	3.6.06	Capital call	\$4,837,418.00
Carlyle/Riverstone Partners	3.27.06	Capital call	\$698,486.00
California Emerging Ventures	3.2.06	Capital call	\$208,050.00
	3.15.06	Capital call	\$75,000.00
	3.27.06	Capital call	\$794,500.00
	3.30.06	Capital call	\$892,250.00

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - March 2006

Partnerships	Date	Transaction	Amount
California Emerging Ventures II	3.6.06	Capital call	\$4,375,075.00
	3.13.06	Capital call	\$2,522,440.00
	3.17.06	Capital call	\$3,321,775.00
	3.23.06	Capital call	\$4,200,395.00
	3.28.06	Capital call	\$5,434,640.00
	3.30.06	Capital call	\$3,453,480.00
California Emerging Ventures III	3.3.06	Capital call	\$2,117,700.00
	3.10.06	Capital call	\$1,006,610.00
	3.14.06	Capital call	\$510,000.00
	3.16.06	Capital call	\$780,700.00
	3.17.06	Capital call	\$1,624,400.00
	3.24.06	Capital call	\$2,528,500.00
	3.30.06	Capital call	\$1,974,100.00
Coller International Partners IV	3.24.06	Capital call	\$4,750,000.00
DFJ Element Fund	3.30.06	Capital call	\$61,081.54
DKB Emerging Europe Fund	3.6.06	Capital call	\$5,235,847.93
Ethos Private Equity Fund IV	3.23.06	Capital call	\$42,301.83
Falconhead Capital II	3.30.06	Capital call	\$3,191,133.00
First Reserve Capital Partners X	3.10.06	Capital call	\$3,504,367.00
Garage California	3.30.06	Capital call	\$1,000,000.00
Green Equity Partners	3.17.06	Capital call	\$5,910,100.09
Inner City Ventures Fund II	3.1.06	Capital call	\$2,237,913.41
Insight Venture Partners V	3.30.06	Capital call	\$2,356,250.00
Insight Venture Partners V Co-Investment	3.30.06	Capital call	\$900,000.00
Institutional Ventures XI	3.1.06	Capital call	\$1,250,000.00
KKR European II	3.24.06	Capital call	\$409,444.00

INTERNAL PROGRAMS
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Transactions - March 2006

Partnerships	Date	Transaction	Amount
Kline Hawkes Pacific Partners	3.3.06	Capital call	\$4,000,000.00
Kohlberg V	3.30.06	Capital call	\$8,906,250.00
Landmark Equity Partners XI	3.27.06	Capital call	\$36,744.00
Levine Leichtman Deep Value Fund	3.9.06	Capital call	\$1,400,000.00
Lexington Middle Market Fund	3.27.06	Capital call	\$900,000.00
Lighthouse Capital Partners V	3.29.06	Capital call	\$3,250,000.00
Lime Rock Partners III	3.6.06	Capital call	\$933,874.00
Markstone Capital Partners	3.27.06	Capital call	\$8,019,942.00
Newbridge Asia IV	3.9.06	Capital call	\$6,041,633.00
	3.17.06	Capital call	\$23,817,976.00
OCM Principal Opportunitites Fund III	3.13.06	Capital call	\$3,500,000.00
Paladin Homeland Security Fund	3.27.06	Capital call	\$1,217,710.00
Palomar Ventures Fund III	3.20.06	Capital call	\$1,500,000.00
Polish Enterprise Fund V	3.23.06	Capital call	\$1,505,118.00
	3.29.06	Capital call	\$2,745,211.00
Prospect Venture Fund III	3.13.06	Capital call	\$750,000.00
RFG Private Equity 1A	3.28.06	Capital call	\$570,793.00
RFG Private Equity 1C	3.28.06	Capital call	\$688,973.00
Ripplewood Partners II	3.3.06	Capital call	\$578,143.00
RockPort Capital Partners II	3.15.06	Capital call	\$610,599.60
Rosewood Advisors	3.27.06	Capital call	\$535,304.90
Silver Lake Partners II	3.6.06	Capital call	\$9,271,395.86
Skyline Venture Qualified V	3.3.06	Capital call	\$200,226.00
Technology Partners VI	3.30.06	Capital call	\$625,000.00
Technology Partners VII	3.30.06	Capital call	\$1,450,000.00
Thailand Partners	3.23.06	Capital call	\$5,023,622.05

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - March 2006

Partnerships	Date	Transaction	Amount
Thomas Weisel Global Growth Partners II	3.13.06	Capital call	\$1,203,568.00
Thomas Weisel Venture Partners	3.30.06	Capital call	\$4,375,000.00
TPG III	3.1.06	Capital call	\$960,021.00
TPG Venture Holdings	3.10.06	Capital call	\$851,804.00
TPG Ventures	3.10.06	Capital call	\$7,081,815.00
Trinity Ventures IX	3.6.06	Capital call	\$975,000.00
	3.27.06	Capital call	\$1,000,000.00
Weston Presidio V	3.6.06	Capital call	\$4,550,000.00
Yucaipa Corporate Initiatives	3.14.06	Capital call	\$3,880,866.00
TOTAL CAPITAL CALLS			\$258,693,126.38
TOTAL DISTRIBUTIONS			\$277,254,721.84

INTERNAL PROGRAMS		
Alternative Investment Management (AIM) Program		
Summary of Investments Completed Under Delegated Authority		
Item	Name of Investment	Commitment
Attachment 1	ITU Ventures III, L.P.	\$23.8 million
Attachment 2	Lombard Asia III, L.P.	\$45 million

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

ITU Ventures III, L.P.

Action:

Commit \$23.8 million to ITU Ventures III, L.P. (the “Fund”)

Background:

ITU Ventures (“Firm” or “ITU”) is a Los Angeles-based seed and early stage venture capital firm raising ITU Ventures III, L.P. The Fund will make seed and early stage investments into technology businesses emerging from the nation’s leading universities, research institutions and corporations. ITU seeks to be the first institutional investor in a company and play an active role growing the companies. The Fund will focus on companies in the communication, semiconductor, and software sectors.

The Fund had its final close in February 2006, closing on \$120 million of commitments.

Key Principals:

- **Chad Brownstein, Co-Founder and Managing Partner.** Prior to co-founding ITU, Mr. Brownstein was with Donaldson, Lufkin, and Jenrette (“DLJ”), as a member of the Merchant Banking and Investment Banking divisions. While at DLJ, he participated in public and private investment banking activities including equity, debt, and merger/advisory transactions. He currently serves as advisor to the National Science Foundation’s “Partnership Through Innovation” Program. Mr. Brownstein earned his MBA from Columbia University and his BA from Tulane University.
- **Jonah Schnel, Co-Founder and Managing Partner.** Prior to forming the Firm, Mr. Schnel was a Manager with SunAmerica, Inc.’s Investment Division. At SunAmerica he participated in the origination and management of \$1.5 billion in corporate and real estate portfolio assets. He serves as a member of the steering committee for Caltech’s “Partnership for Innovation Entrepreneurial Fellowship Program” sponsored by the National Science Foundation. He is also a UCLA Anderson School of Management Certified Public Company Director. Mr. Schnel earned his BA from Tulane University.

Analysis:

- **The Fund has a differentiated investment strategy.** The Fund will face limited competition against other seed and early stage investors because few firms are dedicated to investing in companies that emerge out of universities and research centers around the nation. Because ITU proactively sources transactions from these institutions, the Fund will generally be the only investor in these emerging companies. This allows the Fund to maintain significant ownership in its companies and benefit from the growth of the companies.
- **ITU investment professionals have strong networks among universities and research labs.** Chad Brownstein and Jonah Schnel have developed strong relationships with the heads of various technology transfer offices as well as head researchers at research institutions and corporations. These networks will help the Fund review and select the best investment opportunities coming out of these areas.
- **The Firm has demonstrated an ability to grow companies with limited capital injections and new sources of capital.** ITU has developed an expertise at securing alternative financing for its portfolio companies. This alternative financing allows the company to grow and mature without taking additional rounds of financing. This will allow the Firm to maximize its value of investments within the Fund.

Litigation:

According to ITU, there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from Hamilton Lane.

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

Lombard Asia III, L.P.

Action:

Commit \$45 million to Lombard Asia III, L.P. (the "Fund")

Background:

Founded in 1985, Lombard Investments, Inc. ("Lombard" or the "Firm") has formed its third private equity fund to focus on non-controlling equity and equity-linked investments in the Asia Pacific region, excluding Japan. Lombard typically invests between \$10 million and \$40 million per transaction into competitive enterprises that need capital financing for expansion purposes or for financial restructuring. The Firm employs 20 investment professionals across its three offices in San Francisco, Hong Kong, and Bangkok.

The Fund had its first closing in February 2006 of \$153.5 million in commitments and anticipates a final closing to occur in the second half of 2006.

Key Principals:

- **Thomas Smith, Managing Director.** Prior to joining Lombard, Mr. Smith held positions as the CEO and CFO of ACI, Inc., Executive Vice President of WSGP Group, and Senior Vice President of PSB Realty. Previous to PSB Realty, Mr. Smith began his career at The Rouse Company. Mr. Smith received his AB degree from Harvard College.
- **Peter Sullivan, Managing Director and Chairman.** Prior to joining Lombard, Mr. Sullivan served for more than 25 years with the Asian Development Bank, where he held various management level positions, including Vice President (Region East), Vice President (Operations), and General Counsel. Mr. Sullivan began his career as a lawyer at Sullivan & Cromwell. Mr. Sullivan received his AB degree from Princeton University and his JD from Yale Law School.

Analysis:

- **The overall economic outlook for Asia-based investment opportunities appears very strong.** Asia has some of the highest GDP growth rates in the world. Given Lombard's geographic orientation, the Firm will be able to take advantage of the region's promising growth prospects, which may result in higher rates of return than other major markets.
- **Lombard has established a strong reputation and tenure within the Asian private equity market, which will help attract investment opportunities for the Fund.** For more than 20 years, the Firm has built a solid reputation for executing small to medium-sized transactions across Asia. Lombard is considered a preferred investor because it adds value to its portfolio companies by leveraging its extensive network of relationships in North America and Asia.
- **Lombard has a differentiated strategy in Asia by focusing on small and medium-sized transactions.** Given the amount of capital flowing towards large pan-Asian buyout funds, Lombard presents a unique strategy that focuses on small to mid-market companies requiring growth capital that can be exited through sales to larger strategic or financial buyers.

Litigation:

According to Lombard, there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from LP Capital Advisors.

INTERNALLY MANAGED DERIVATIVE TRANSACTIONS SUMMARY

(\$ Millions)

February 28, 2006

<u>SECURITY TYPE</u>	<u>NOTIONAL</u>
FUTURES PURCHASES	\$0.9
FUTURES SALES	\$0.2
INTEREST RATE SWAP PURCHASE	\$10.0